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Consolidated Annual Financial Report of the Administrative Agent of the UNDG Iraq Trust Fund

for the period 1 January to 31 December 2014

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

31 May 2015

PARTICIPATING ORGANIZATIONS



Economic and Social Commission



Food and Agriculture Organization



International Labour Organization



International Organization for Migration



UNDP(MDTF/PUNO only).



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization



United Nations Population Fund



UN Centre for Human Settlements



UN High Commissioner for Refugees



United Nations Children's Fund



UN Industrial Development Organization

CONTRIBUTORS



AUSTRALIA, Government of



Australian Agency for International Development



BELGIUM, Government of



CANADIAN INTERNATIONAL DEVELOPMENT AGENCY



DENMARK, Government of



DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)



EUROPEAN UNION



FINLAND, Government of



GERMANY, Government of



GREECE, Government of



ICELAND, Government of



INDIA, Government of



IRELAND, Government of



ITALY, Government of



UN Office for Project Services



JAPAN, Government of



UNWOMEN



KUWAIT, Government of



World Food Programme



LUXEMBOURG, Government of



World Health Organization



NETHERLANDS, Government of



NORWAY, Government of



NEW ZEALAND, Government of



QATAR, Government of



REPUBLIC of KOREA, Government of



SWEDISH INT'L DEVELOPMENT COOPERATION



SPAIN, Government of



TURKEY, Government of



USAID

DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

US Dollar Amount

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2014 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the UNDG Iraq Trust Fund using the pass-through funding modality as of 31 December 2014. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/ITF00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, 26 contributors have deposited US\$ 1,358,392,474 in contributions and US\$ 76,730,033 has been earned in interest,

bringing the cumulative source of funds to US\$ 1,382,999,106

Of this amount, US\$ 1,390,413,154 has been transferred to 16 Participating Organizations, of which US\$ 1,356,853,881 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 10,818,920. Table 1 provides an overview of the overall sources, uses, and balance of the UNDG Iraq Trust Fund as of 31 December 2014.

Table 1. Financial Overview, as of 31 December 2014 (in US Dollars)

	Annual 2013	Annual 2014	Cumulative
Sources of Funds			
Gross Contributions	-	-	1,358,392,474
Fund Earned Interest and Investment Income	39,159	15,248	34,797,343
Interest Income received from Participating Organizations	14,948	69,850	41,932,689
Refunds by Administrative Agent to Contributors	(16,126,443)	(2,368,188)	(23,414,998)
Fund balance transferred to another MDTF	(2,997,720)	(4,265,378)	(28,708,403)
Other Revenues	-	-	-
Total: Sources of Funds	(19,070,055)	(6,548,467)	1,382,999,106
Use of Funds			
Transfers to Participating Organizations	8,611,450	-	1,390,413,154
Refunds received from Participating Organizations	(579,593)	(9,293,866)	(28,589,916)
Net Funded Amount to Participating Organizations	8,031,857	(9,293,866)	1,361,823,238
Administrative Agent Fees	-	-	10,818,920
Direct Costs: (Steering Committee, Secretariat...etc.)	-	(152,759)	4,705,972
Bank Charges	1,752	438	33,417
Other Expenditures	-	-	-
Total: Uses of Funds	8,033,609	(9,446,187)	1,377,381,547
Change in Fund cash balance with Administrative Agent	(27,103,664)	2,897,720	5,617,559
Opening Fund balance (1 January)	29,823,503	2,719,839	-
Closing Fund balance (31 December)	2,719,839	5,617,559	5,617,559
Net Funded Amount to Participating Organizations	8,031,857	(9,293,866)	1,361,823,238
Participating Organizations' Expenditure	17,252,619	875,631	1,356,853,881
Balance of Funds with Participating Organizations			4,969,358

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2014.

Table 2. Contributors' Deposits, as of 31 December 2014 (in US Dollars)

Contributors	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
AUSTRALIA, Government of	3,317,950	-	3,317,950
Australian Agency for Int'l Development	28,346,885	-	28,346,885
BELGIUM, Government of	1,321,004	-	1,321,004
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	63,785,053	-	63,785,053
DENMARK, Government of	12,410,054	-	12,410,054
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	55,542,000	-	55,542,000
EUROPEAN UNION	594,210,659	-	594,210,659
FINLAND, Government of	7,700,500	-	7,700,500
GERMANY, Government of	10,000,000	-	10,000,000
GREECE, Government of	3,629,820	-	3,629,820
ICELAND, Government of	500,000	-	500,000
INDIA, Government of	5,000,000	-	5,000,000
IRELAND, Government of	1,226,400	-	1,226,400
ITALY, Government of	39,231,821	-	39,231,821
JAPAN, Government of	360,950,526	-	360,950,526
KUWAIT, Government of	5,000,000	-	5,000,000
LUXEMBOURG, Government of	2,318,910	-	2,318,910
NETHERLANDS, Government of	6,697,000	-	6,697,000
NORWAY, Government of	7,009,288	-	7,009,288
NEW ZEALAND, Government of	3,364,850	-	3,364,850
QATAR, Government of	5,000,000	-	5,000,000
REPUBLIC of KOREA, Government of	21,000,000	-	21,000,000
SWEDISH INT'L DEVELOPMENT COOPERATION	13,656,543	-	13,656,543
SPAIN, Government of	93,173,210	-	93,173,210
TURKEY, Government of	9,000,000	-	9,000,000
USAID	5,000,000	-	5,000,000
Grand Total	1,358,392,474	-	1,358,392,474

Based on the IRFFI Donor Committee decision in February 2009, no new donor contributions were to be received into the UNDG ITF Fund account after 30 June 2009. The top five contributors to the UNDG ITF

are the European Union (\$594 million), Japan (\$361 million), Spain (\$93 million), Canada (\$64 million), and the United Kingdom (\$56 million), as shown in Table 2.

**Table 3 Earmarked/Un-earmarked Net Donor Contributions, by Sector, Cumulative as of 31 December 2014
(in US \$000)**

Sector	Net Donor Deposits		Donor
	Net Amount	% Share of Total Net Deposits	
	US\$000	%	
Education	206,690	15.4	
Water and Sanitation	76,772	5.7	
Health	144,346	10.7	Australia, Denmark,
Housing and Shelter	18,955	1.4	European Commission,
Food Security, Agriculture, Food Assistance	113,489	8.5	Germany, Ireland, Italy, Japan,
Food Security, Agriculture, Food Assistance	4,900	0.4	Kuwait, Luxembourg, Republic of Korea,
Agriculture & Water Resources	58,602	4.4	Spain
Rural Development	47,792	3.6	
Food Security	2,195	0.2	
Protection	37,342	2.8	Australia, Denmark, European Commission,
Protection	25,979	1.9	Finland, Greece, Republic of Korea, Sweden
Mine Action	11,364	0.8	
Governance	339,904	25.3	Australia, Belgium, Canada, Denmark, European Commission (EC, EC RRM, EC EIDHR) Finland, Greece, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Republic of Korea, Spain, Sweden, United Kingdom
Democratic Process (National Reconciliation/Rule of Law)	46,305	*	
Democratic Process: Support to Constitutional Process	38,096	*	
Culture	1,548	0.1	
Public Sector Reform	-	0.0	
Decentralized Programmes	6,119	0.5	
Support to Electoral Process	247,837	18.5	
Economic Development	250,129	18.6	
Economic Reform and Diversification	27,686	2.1	European Commission, Italy, Japan, Spain, Sweden
Infrastructure Electricity	121,620	9.1	
Poverty Reduction and Human Development	85,146	*	
Environment	15,676	1.2	
Total - Earmarked Funds	1,187,627	88.4	
Un-Earmarked Funds	155,337	11.6	Canada, Greece, Iceland, India, Italy, Japan, New Zealand, Norway, Qatar, Republic of Korea, Turkey, United Kingdom, United States of America
Total Funds	1,342,965	100.0	

*Governance earmarked Funds moved within Support to Constitutional Process, Governance: Democratic Process, and Poverty Human Dev. (all previously under Governance)

Table 3 illustrates that approximately 88 percent of the contributions received by the UNDG ITF are earmarked at the level of a specific sector or sub-sectors and/or specific Participating Organization(s). In line with the basic principle of MPTFs, where funds are commingled and there is no one-to-one relationship between donor contribution and individual project(s), earmarking by project is not permitted under the UNDG ITF.

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest

The sectors or sub-sectors that received the highest amount of earmarking compared to the overall portfolio are: Governance (25 percent), including Elections (18.5 percent); Economic Development (18.6 percent), including Infrastructure (9.1 percent); Education (15.4 percent) and Health (10.7 percent). These percentages reflect the Priority Areas of social services and reconstruction that were established when the majority of donor contributions were committed.

to the AA. As of 31 December **2014**, Fund earned interest amounts to US\$ **34,797,343** and interest received from Participating Organizations amounts to US\$ **41,932,689**, bringing the cumulative interest received to US\$ **76,730,033**. Details are provided in the table below.

Table 4. Sources of Interest and Investment Income, as of 31 December 2014 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
Administrative Agent			
Fund Earned Interest and Investment Income	34,782,095	15,248	34,797,343
Total: Fund Earned Interest	34,782,095	15,248	34,797,343
Participating Organization			
UNDP	21,426,025		21,426,025
ESCWA	736,496		736,496
UNEP	213,288		213,288
UNHCR	67,474		67,474
UNIDO	2,632,725	39,301	2,672,026
ILO	311,454		311,454
FAO	4,373,933		4,373,933
UNFPA	787,698		787,698
UNWOMEN	209,340		209,340
UNHABITAT	1,774,459		1,774,459
UNOPS	5,676,271	29,049	5,705,320
UNESCO	3,653,676	1,500	3,655,176
Total: Agency earned interest	41,862,839	69,850	41,932,689
Grand Total	76,644,934	85,098	76,730,033

3.1 Apportionment of un-allocated interest and unspent (refund) balances in proportion to total donor deposits

The IRFFI Donor Committee made a decision to transfer all earned interest and unspent (refund) balances as of 30 June 2010, and subsequent accrual, from the UNDG ITF to the new Iraq UNDAF Fund with the exception of the EC, Germany and the United Kingdom, who requested their portion of such funds be returned. As outlined in Table 5, as of 31 December 2014, a total of \$57.7 million was apportioned. In 2014, the total amount apportioned is \$9.5 million.

Table 5. Apportionment of un-allocated interest and unspent (refund) balances in proportion to total donor deposits, as of 31 December 2014

Donor	Refunds of Interest and Unspent Funding from Agencies, apportioned per % of total contribution						
	Total Donor Deposits	% of Total Deposits	Prior Years as of 31 Dec 2013	Current Year Jan - Dec 2014		Total Interest and Unspent Balances to be refunded	Total Interest and Unspent Balances
			Interest and Unspent Balances refunded by end 2013	Unspent Interest Balances	Unspent Refunds on Balances from Closing of Projects		
Australia	31,664,835	2.33%	1,123,783	1,973	220,206	222,179.22	1,345,962
Belgium	1,321,004	0.10%	46,882	82	9,187	9,268.95	56,151
Canada (CIDA)	63,785,053	4.70%	2,263,727	3,975	443,578	447,553.68	2,711,281
Denmark	12,410,054	0.91%	440,432	773	86,303	87,076.28	527,508
European Union	594,210,659	43.74%	21,088,493	37,033	4,132,300	4,169,333.61 ¹	25,257,827
Finland	7,700,500	0.57%	273,290	480	53,551	54,031.26	327,321
Germany	10,000,000	0.74%	354,899	623	69,543	70,165.92 ¹	425,065
Greece	3,629,820	0.27%	128,822	226	25,243	25,468.97	154,291
Iceland	500,000	0.04%	17,745	31	3,477	3,508.30	21,253
India	5,000,000	0.37%	177,450	312	34,771	35,082.96	212,533
Ireland	1,226,400	0.09%	43,525	76	8,529	8,605.15	52,130
Italy	39,231,821	2.89%	1,392,334	2,445	272,829	275,273.67	1,667,608
Japan	360,950,526	26.57%	12,810,108	22,496	2,510,147	2,532,642.49	15,342,750
Kuwait	5,000,000	0.37%	177,450	312	34,771	35,082.96	212,533
Luxembourg	2,318,910	0.17%	82,298	145	16,126	16,270.84	98,569
Netherlands	6,697,000	0.49%	237,676	417	46,573	46,990.12	284,666
New Zealand	3,364,850	0.25%	119,418	210	23,400	23,609.78	143,028
Norway	7,009,288	0.52%	248,759	437	48,744	49,181.31	297,940
Qatar	5,000,000	0.37%	177,450	312	34,771	35,082.96	212,533
Republic Of Korea	21,000,000	1.55%	745,288	1,309	146,040	147,348.43	892,637
Spain	93,173,210	6.86%	3,306,710	5,807	647,951	653,758.38	3,960,469
Sweden (SIDA)	13,656,543	1.01%	484,670	851	94,971	95,822.39	580,492
Turkey	9,000,000	0.66%	319,409	561	62,588	63,149.33	382,559
United Kingdom (DFID)	55,542,000	4.09%	1,971,182	3,462	386,254	389,715.54 ¹	2,360,897
United States of America (USAID)	5,000,000	0.37%	177,450	312	34,771	35,082.96	212,533
Grand Total	1,358,392,474	100.00%	48,209,250	84,660	9,446,625	9,531,285.45	57,740,536

¹ Refund to Donors opting out of transfer to IRQ UNDAF pending \$4.1 to European Union, (waiting on Debit Note), while DFID and Germany's returned to Donor on 10April2015.

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ 1,390,413,154 to 16 Participating Organizations (see list below).

Table 6 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 6. Net funded amount by sector, cumulative as of 31 December 2014 (in US\$000)

	Total Approved Amount	Funded	Refund of Unspent Balances*	Net Funded Amount	% of Total Funded	Number of Projects
	US\$000	US\$000	US\$000	US\$000	%	
Education	207,978	207,978	2,107	205,871	15.1	30
Water and Sanitation	92,998	92,998	7,597	85,401	6.3	20
Health	186,553	186,553	659	185,894	13.7	30
Housing and Shelter	28,278	28,278	1	28,277	2.1	5
Food Security, Agriculture, Food Assistance	159,886	159,886	1,515	158,371	11.6	28
Food Security, Agriculture, Food Assistance	5,127	5,127	13	5,113	0.4	1
Agriculture & Water Resources	96,749	96,749	946	95,804	7.0	15
Rural Development	47,792	47,792	556	47,236	3.5	10
Food Security	10,217	10,217	0	10,217	0.8	2
Protection	75,758	75,758	695	75,063	5.5	18
Protection	62,075	62,075	335	61,740	4.5	13
Mine Action	13,683	13,683	360	13,323	1.0	5
Governance	364,922	364,922	12,735	352,187	25.9	43
Democratic Process (National Reconciliation/ Rule of Law)	48,995	48,995	171	48,824	3.6	18
Democratic Process: Support to Constitutional Process	38,048	38,048	452	37,595	2.8	3
Culture	2,092	2,092	132	1,960	0.1	1
Public Sector Reform	19,951	19,951	549	19,402	1.4	1
Decentralized Programmes	6,119	6,119	0	6,119	0.4	1
Support to Electoral Process	249,717	249,717	11,432	238,286	17.5	19
Economic Development	273,740	273,740	3,275	270,464	19.9	26
Economic Reform and Diversification	27,715	27,715	6	27,709	2.0	3
Infrastructure Electricity	137,962	137,962	2,086	135,876	10.0	8
Poverty Reduction and Human Dev.	92,363	92,363	1,183	91,179	6.7	13
Environment	15,700	15,700	0	15,700	1.2	2
Emergency Misc Project	300	300	5	295	0.02	1
TOTAL	1,390,413	1,390,413	28,590	1,361,823	100.0	200

**Table 7. Transfer of Net funded amount by Participating Organization, cumulative as of 31 December 2014
(in US\$000)**

Participating Organization	Prior Years as of 31 Dec 2013		Current Year Jan-Dec 2014		TOTAL		% of Total Funded	Number of Projects
	Approved Amount US\$000	Net Funded Amount US\$000	Approved Amount US\$000	Net Funded Amount US\$000	Approved Amount US\$000	Net Funded Amount US\$000		
ESCWA	12,282	11,425	-	(584)	12,282	10,842	0.88	6
FAO	114,965	114,028	-	-	114,965	114,028	8.27	19
ILO	8,695	8,502	-	(222)	8,695	8,280	0.63	6
IOM	518	518	-	-	518	518	0.04	1
UNDP	388,940	388,889	-	(4,022)	388,940	384,866	27.97	44
UNEP	16,605	16,605	-	-	16,605	16,605	1.19	3
UNESCO	71,153	69,600	-	(95)	71,153	69,505	5.12	29
UNFPA	25,357	25,300	-	(7)	25,357	25,293	1.82	8
UNHABITAT	90,357	90,277	-	-	90,357	90,277	6.50	21
UNHCR	14,978	14,978	-	-	14,978	14,978	1.08	5
UNICEF	182,913	182,746	-	(178)	182,913	182,568	13.16	30
UNIDO	59,656	53,340	-	(511)	59,656	52,829	4.29	16
UNOPS	246,036	237,340	-	(3,603)	246,036	233,737	17.69	43
UNWOMEN	9,930	9,923	-	-	9,930	9,923	0.71	7
WFP	18,890	18,890	-	-	18,890	18,890	1.36	5
WHO	129,138	128,758	-	(72)	129,138	128,686	9.29	31
TOTAL	1,390,413	1,371,117	-	(9,294)	1,390,413	1,361,823	100.0	274

Table 7 provides the breakdown of funding by Participating Organization. The five Agencies that received the largest percentage of the overall UNDG ITF portfolio are UNDP (28 percent), UNOPS (18

percent), UNICEF (13 percent), WHO (9 percent) and FAO (8 percent). Jointly they accounted for 76 percent of total funding.

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2014** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

As shown in table below, the cumulative net funded amount in thousands is US\$ **1,361,823,000** and cumulative expenditures reported by the Participating Organizations amount to US\$ **1,356,854,000**. This equates to an overall Fund expenditure delivery rate of **100** percent. The table below is in thousands

Table 8: Financial delivery rates by sector for prior, current , as of 31 December 2014 (in US\$000)

Sector	Prior Years as of 31 Dec 2013		Current Year Jan-Dec 2014		TOTAL		Delivery Rate (%)
	Net Funded Amount US\$000	Expenditure US\$000	Net Funded Amount US\$000	Expenditure US\$000	Net Funded Amount US\$000	Expenditure US\$000	
Education	206,517	205,772	(646)	1	205,871	205,774	99.95
Water and Sanitation	85,721	84,965	(320)	44	85,401	85,009	99.54
Health	186,105	185,928	(211)	(66)	185,894	185,862	99.98
Housing and Shelter	28,277	28,204	-	28	28,277	28,232	99.84
Food Security, Agriculture, Food Assistance	158,837	155,585	(466)	282	158,371	155,866	98.42
Food Security, Agriculture, Food Assistance	5,113	5,113	-	-	5,113	5,113	100.00
Agriculture and Water Resources	95,956	93,615	(152)	282	95,804	93,896	98.01
Rural Development	47,550	46,639	(314)	(0)	47,236	46,639	98.74
Food Security	10,217	10,217	-	0	10,217	10,217	100.00
Protection	75,464	74,759	(401)	167	75,063	74,926	99.82
Protection	61,794	61,436	(54)	167	61,740	61,603	99.78
Mine Action	13,669	13,323	(347)	0	13,323	13,323	100.00
Governance	356,777	350,803	(4,590)	876	352,187	351,679	99.86
Democratic Process (National Reconciliation/ Rule of Law)	48,878	48,405	(53)	116	48,824	48,521	99.38
Dem Proc (Nat'l Rec/ Rule of Law)-Support Constitutional Process	37,777	37,405	(181)	186	37,595	37,590	99.99
Culture	1,960	1,960	-	-	1,960	1,960	100.00
Public Sector Reform	19,859	18,649	(457)	546	19,402	19,195	98.93
Decentralized Programmes	6,119	5,992	-	-	6,119	5,992	97.93
Support to Electoral Process	242,184	238,393	(3,898)	28	238,286	238,421	100.06
Economic Development	273,124	269,667	(2,660)	(455)	270,464	269,212	99.54
Economic Reform and Diversification	27,709	27,603	-	(0)	27,709	27,603	99.62
Infrastructure Electricity	137,961	136,173	(2,085)	(349)	135,876	135,824	99.96
Poverty Reduction and Human Development	91,754	89,690	(574)	(106)	91,179	89,584	98.25
Environment	15,700	16,201	-	(0)	15,700	16,200	103.19
Emergency Misc Project	295	295	-	-	295	295	100.00
TOTAL	1,371,117	1,355,978	(9,294)	876	1,361,823	1,356,854	99.64

5.1 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 9 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

2006 UNDG Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 9. Expenditure by UNDG Budget Category, as of 31 December 2014 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total	
Supplies, Commodities, Equipment and Transport (Old)	342,036,211	(13,672)	342,022,539	26.69
Personnel (Old)	193,866,643	46,593	193,913,236	15.13
Training of Counterparts (Old)	71,921,837	12,951	71,934,788	5.61
Contracts (Old)	526,382,177	(33,907)	526,348,271	41.07
Other direct costs (Old)	67,797,911	(11,965)	67,785,945	5.29
Staff & Personnel Cost (New)	12,765,837	(87,402)	12,678,435	0.99
Suppl, Comm, Materials (New)	1,428,111	(10,230)	1,417,881	0.11
Equip, Veh, Furn, Depn (New)	3,345,834	8,144	3,353,978	0.26
Contractual Services (New)	29,420,460	404,761	29,825,221	2.33
Travel (New)	7,071,156	73,321	7,144,477	0.56
Transfers and Grants (New)	13,449,148	437,697	13,886,845	1.08
General Operating (New)	10,912,521	405,814	11,318,336	0.88
Programme Costs Total	1,280,397,845	1,232,105	1,281,629,951	100.00
Indirect Support Costs Total	75,580,404	(356,474)	75,223,930	5.87
Total	1,355,978,250	875,631	1,356,853,881	

5.2 EXPENDITURE REPORTED BY SECTOR

As shown in Table 10, for the reporting period of January to December 2014, all eight sectors

continued to reflect high expenditure, with an overall expenditure rate of 100 percent.

Table 10. Expenditure by Sector, as of 31 December 2014 (in US\$000)

Sector	Expenditure					Delivery Rate (%)
	Total Approved Amount*	Net Funded Amount	Prior Years as of 31 Dec 2013	Current Year Jan-Dec 2014	TOTAL	
	US\$000	US\$000	US\$000	US\$000	US\$000	
Education	207,978	205,871	205,772	1	205,774	99.95
Water and Sanitation	92,998	85,401	84,965	44	85,009	99.54
Health	186,553	185,894	185,928	(66)	185,862	99.98
Housing and Shelter	28,278	28,277	28,204	28	28,232	99.84
Food Security, Agriculture, Food Assistance	159,886	158,371	155,585	282	155,866	98.42
Food Security, Agriculture, Food Assistance	5,127	5,113	5,113	-	5,113	100.00
Agriculture and Water Resources	96,749	95,804	93,615	282	93,896	98.01
Rural Development	47,792	47,236	46,639	(0)	6,639	98.74
Food Security	10,217	10,217	10,217	0	10,217	100.00
Protection	75,758	75,063	74,759	167	74,926	99.82
Protection	62,075	61,740	61,436	167	61,603	99.78
Mine Action	13,683	13,323	13,323	0	13,323	100.00
Governance	364,922	352,187	350,803	876	351,679	99.86
Democratic Process (National Reconciliation/ Rule of Law)	48,995	48,824	48,405	116	48,521	99.38
Dem Proc (Nat'l Rec/ Rule of Law) -Support Constitutional Process	38,048	37,595	37,405	186	37,590	99.99
Culture	2,092	1,960	1,960	-	1,960	100.00
Public Sector Reform	19,951	19,402	18,649	546	19,195	98.93
Decentralized Programmes	6,119	6,119	5,992	-	5,992	97.93
Support to Electoral Process	249,717	238,286	238,393	28	238,421	100.06
Economic Development	273,740	270,464	269,667	(455)	269,212	99.54
Economic Reform and Diversification	27,715	27,709	27,603	(0)	27,603	99.62
Infrastructure Electricity	137,962	135,876	136,173	(349)	135,824	99.96
Poverty Reduction and Human Development	92,363	91,179	89,690	(106)	89,584	98.25
Environment	15,700	15,700	16,201	(0)	16,200	103.19
Emergency Misc Project	300	295	295	-	295	100.00
TOTAL	1,390,413	1,361,823	1,355,978	876	1,356,854	99.64

5.3. EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table below, the cumulative net funded amount is US\$ 1,361,823,238 and cumulative

expenditures reported by the Participating Organizations amount to US\$ 1,356,853,881. This equates to an overall Fund expenditure delivery rate of 100 percent.

Table 11: Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2014 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Cumulative	
ESCWA	12,281,817	10,841,514	10,872,052	(30,539)	10,841,514	100.00
FAO	114,965,014	114,027,628	111,304,829	151,289	111,456,118	97.74
ILO	8,695,040	8,280,118	8,280,118		8,280,118	100.00
IOM	518,325	518,325	518,325		518,325	100.00
UNDP	388,939,843	384,866,346	383,743,751	944,040	384,687,791	99.95
UNEP	16,605,005	16,605,005	17,105,641	(488)	17,105,153	103.01
UNESCO	71,153,409	69,505,054	69,421,787	(98)	69,421,689	99.88
UNFPA	25,357,415	25,292,538	25,292,538		25,292,538	100.00
UNHABITAT	90,356,512	90,277,007	89,899,144	(164,824)	89,734,320	99.40
UNHCR	14,977,671	14,977,671	14,977,671		14,977,671	100.00
UNICEF	182,913,314	182,567,793	182,576,544	(2,058)	182,574,486	100.00
UNIDO	59,656,484	52,828,854	52,152,199	(329,663)	51,822,536	98.10
UNOPS	246,035,859	233,737,178	233,063,627	(2,301)	233,061,326	99.71
UNWOMEN	9,929,972	9,923,023	9,325,943	187,324	9,513,267	95.87
WFP	18,889,663	18,889,663	18,758,770	130,894	18,889,663	100.00
WHO	129,137,811	128,685,521	128,685,311	(7,946)	128,677,365	99.99
Grand Total	1,390,413,154	1,361,823,238	1,355,978,250	875,631	1,356,853,881	99.64

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December **2014**, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ **0** was deducted in AA-fees. Cumulatively, as of 31 December **2014**, US\$ **10,818,920** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 6.5% indirect costs. In the current reporting period US\$ **(356,474)** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **75,223,930** as of 31 December **2014**.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.

8. DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In **2014**, there were no reported direct costs. Total cumulative direct costs amounted to US\$ 4.9 million.

